

## Message Text

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16

ACTION XMB-07

INFO OCT-01 EA-11 ADP-00 EB-11 AID-20 L-03 CIAE-00 INR-10

NSAE-00 RSC-01 OMB-01 TRSE-00 FRB-02 OPIC-12 CIEP-02

RSR-01 /082 W

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P 240919Z JUL 73

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 9090

INFO USDOC WASHDC

LIMITED OFFICIAL USE SEOUL 4828

E.O. 11652: DECON 7/4/74

TAGS: ETRD, EGEN, KS

SUBJECT: KOREAN EXPRESS ORDER FOR \$18 MILLION ROLLING STOCK

REF: STATE 143989

FOR EXIMBANK

1. APPRECIATE EXIMBANK INTERPRETATION IN REFTEL WHICH WAS CONVEYED JULY 24 TO KOREA EXPRESS. (KEC).

2. WE URGED KEC OFFICIALS TO MAKE DECISION IN FAVOR OF U.S. SOURCING AS SOON AS POSSIBLE, CITING PRIME RATE, PRICE PRESSURES, IMF CEILING, ETC.

3. KEC OFFICIALS RECOGNIZED NEED FOR PROMPT DECISION, BUT APPEARED TOTALLY HUNG UP ON GRACE PERIOD. IF EXIMBANK WOULD RECALL, JAPANESE OFFERED GRACE PERIOD OF TWO YEARS AFTER LAST RPT LAST DELIVERY.

4. KEC OFFICIALS CITED PROBLEM OF CASH FLOW REPORTED EARLIER, BUT ALSO POINTED OUT CUSTOMS DUTIES WOULD AMOUNT TO WON 2.5 BILLION OR \$6.3 MILLION. THIS WOULD HAVE TO BE PAID BEFORE TRUCKS COULD BE CLEARED. HENCE, THEIR HANGUP WITH NEED FOR LONGER GRACE PERIOD.

5. KEC OFFICIALS CONCLUDED THAT U.S. WOULD BE CERTAIN TO GET ORDER

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IF GRACE PERIOD WOULD BE TWO YEARS FROM MIDPOINT OF DELIVERY

OR ONE YEAR AFTER LAST DELIVERY.

5. EMBASSY URGES EXIMBANK TO GIVE FAVORABLE CONSIDERATION TO THIS KEC REQUEST IN LIGHT OF NEWLY DISCLOSED FACTOR IN CUSTOMS DUTIES. WOULD APPRECIATE REPLY AT YOUR EARLIEST OPPORTUNITY BUT HOPEFULLY BY MORNING SATURDAY JULY 28. WE WOULD CONVEY EXIMBANK REPLY AS FINAL OFFER.

6. FOR STATE ACTION OFFICE. WOULD APPRECIATE YOUR ASSISTING IN EXPEDITIOUS TRANSMISSION OF EXIMBANK RESPONSE.  
HABIB

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 JUL 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973SEOUL04828  
**Document Source:** CORE  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Original Classification:** LIMITED OFFICIAL USE  
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**Previous Handling Restrictions:** n/a  
**Reference:** 73 STATE 143989  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
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30 JUN 2005

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**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KOREAN EXPRESS ORDER FOR \$18 MILLION ROLLING STOCK  
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**To:** STATE  
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